NAB PAYMENTS

Terms and Conditions

Effective 30 September 2008

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These NAB Payments Terms and Conditions consist of the following Parts:

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Part A General Terms

1. Summary of Important Information

1.1 Customer Service

You can contact us by:

- calling us on **13 10 12** (8am-8pm) Australian Eastern Standard Time or Australian Eastern Standard Summer Time (whichever is applicable), Monday to Friday, and select the option to speak to a Customer Service Representative
- visiting our website **nab.com.au**
- contacting your **NAB Banker** or **Transactional Specialist**
- writing to us at Level 24, 500 Bourke Street, Melbourne VIC 3000; or
- hearing impaired customers with telephone typewriters can contact us via the National Relay Service on **13 36 77**.

2. About this document

This document contains the Terms and Conditions for:

- NAB Payments
- Direct Entry Processing using NAB Payments systems

together with the following:

- NAB Payments Schedule
- A Guide to Fees and Charges –Business Banking Fees.

To utilise NAB Payments or Direct Entry Processing:

(a) You will require an Approved NAB Delivery Channel such as

- NAB Connect Direct Link incorporating Reporting Services, or
- National Online Corporate incorporating Financial File Transfer

(b) You will also be required to become a registered user of the Bulk Electronic Clearing System (BECS) for the use of Direct Entry. NAB Direct Entry is issued by National Australia Bank.

These Terms and Conditions govern the operation of **NAB Payments** and **Direct Entry Processing** using NAB Payments systems.

It is important that you read and understand these Terms and Conditions and the **NAB Payments Schedule**. It is also important that you read the Terms and Conditions for your Approved Delivery Channel before making a decision to acquire your Approved Delivery Channel. These are available from NAB at any time. If you have not already received copies of each of these documents please contact NAB.

Any advice in this booklet has been prepared without taking into account your objectives, financial situation or needs. Before acting on this advice, NAB recommends that you consider whether it is appropriate for your circumstances.

National Australia Bank Limited ABN 12 004 044 937, Australian Financial Services Licence 230686 is the issuer of each financial product included in these Terms and Conditions.

3. Meaning of Words and Interpretation

3.1 Meaning of words

The following definitions of terms apply in all Parts of the NAB Payments Terms and Conditions unless the same term is defined differently in a Part:

Account means an account held by any person with us that you have nominated for the purpose of using NAB Payments or Direct Entry.

Adjustment Note has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth).

Agreement means the agreement between you and us in relation to NAB Payments or Direct Entry executed in accordance with NAB Payments Schedule Part F Agreement, which must be entered into before you can start using NAB Payments or Direct Entry.

Alternative Postal Service means a delivery service other than the ordinary Postal Service of the relevant jurisdiction, for example, courier services.

Approved Delivery Channel means the channel, as set out in NAB Payments Schedule Part E, by which Files will be sent from you to NAB and Reports sent from NAB to you and includes NAB Connect Direct Link with Reporting Services and National Online Corporate Financial File Transfer.

Bank Cheque means a cheque that we draw on our self together with the remittance advice relating to that cheque, prepared and despatched in accordance with clause 23.2.

Banker means your NAB account manager.

Business Day means a day on which we are open for normal banking business in Melbourne, Australia.

Confirmation of Monthly Usage means the detailed breakdown of Services used and fees charged to your Account or fee Account each month.

Commencement Date has the meaning given in clause 20.1.

Corporate Cheque means a cheque drawn by you on your Account, together with the remittance material related to that cheque, prepared and despatched in accordance with clause 23.3.

Costs includes legal costs, charges and expenses.

Custom or Customised or Custom Implementation means an implementation that requests to vary File Format, production layout or design. It includes Corporate Cheque, colour stock, multi-state printing, and utilisation of a Custom field in the File Format or use of a File Format other than Links 2.4.0, 2.6.2 or a later version.

Cut Off means the time of day on or before the payment date by which we have to have received a Valid File from you to ensure processing on the payment date.

Cut Over Date means the date at which NAB begins to include reconciliation data in our system.

Direct Credit means an electronic direct credit payment made to a nominated payee bank account.

Direct Debit means an electronic direct debit payment drawn from a nominated drawee bank account.

Early Termination Fee has the meaning given in clause 7.2.

Event of Default means an event referred to in Clause 19.

File means your accounts payable File which contains cheque and/or Direct Credit payment instructions.

File Format means the File Format agreed to by us, preferably NAB Payments Links 2.4.0, 2.6.2 or a later version.

Formal Limit means the limits that apply to the value of payment instructions we can process on your behalf without referring to your Banker. This may be a Formal Limit or available funds depending on our Credit arrangement with you.

Generic or Generic Implementation means an implementation using the NAB Payments File Format. Production layout will meet the Generic Business Rules guidelines.

Government Direct Entry System (GDES) means the lodgement of payments for Direct Credit under Government Core Protocols.

GST has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth).

Initial Period means the period from the Commencement Date until the Termination Date.

Intellectual Property means all rights, titles and interests wherever subsisting throughout the world and whether registered or not in and to:

(a) copyright, author's rights, neighbouring rights, sui generis protection for the contents of databases, the protection of circuit layouts and rights of topography, designs; or

(b) inventions, patents, utility models; or

(c) trade secrets, know how, confidential information; or

(d) trade marks, business names, trading styles and get up; or

(e) any right contemplated by a treaty, convention or instrument administered by or under the auspices of the World Intellectual Property Organisation;

and includes the right to apply for the registration, grant or other insurance of such rights, titles and interests.

Investor Services Provider means the company you have engaged to act as your Investor Services Provider for dividends and other associated activities.

NAB means National Australia Bank Limited ABN 12 004 044 937, and its successors and assigns.

Part means a Part of this document or the NAB Payments Schedule referred to as such.

Postal Service means the ordinary Postal Service of the relevant jurisdiction, for example, in Australia, Australia Post.

Processing State means the data included at position H7 of NAB Payments File Format to indicate the state for print output and mailing. Default is VIC. Other state codes may only be used with our prior consent.

Report means any of the Acknowledgements or Reports that you elect to receive from the NAB Payments Report suite.

Schedule means the NAB Payments Schedule incorporating Pricing, Details and Agreement for the performance of Services described in Parts B and C of the NAB Payments Terms and Conditions.

Services means the Services described in Parts B and C of the NAB Payments Terms and Conditions.

Taxable Supply has the same meaning as in the Australian GST Act.

Tax Invoice has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth).

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, our net income.

Termination Date means the Termination Date set out in the Details of the Agreement, or if no such date is specified, the date which is 3 years from the Commencement Date on the Signing Page.

Valid File means a File that complies with the agreed File Format, usually the NAB Payments format received by the Cut Off time and within the value of your Formal Limit.

We, us and our means NAB.

You and your means the person or persons named in the Details. If there is more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns in relation to your rights to operate the product, and any other authorised signatory to the product.

3.2 In these NAB Payments Terms and Conditions:

(a) a group of persons is a reference to any two or more of them jointly and to each of them individually;

(b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;

(c) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually but an agreement, representation or warranty by us binds us individually only;

(d) anything (including an amount) is a reference to the whole and each part of it;

(e) a document (including this document) includes any variation or replacement of it;

(f) law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

(g) Australian dollars, dollars, $ or A$ is a reference to the lawful currency of Australia;

(h) a time of day is a reference to Melbourne time;

(i) the word "person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;

(j) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(k) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;

(l) the Corporations Act is a reference to the Corporations Act 2001 (Cwlth); and

(m) the singular includes the plural and vice versa.

4. Construction of Contract and Paramountcy

Each Part of these Terms and Conditions shall be read together with each other Part as forming the Terms and Conditions for each Service provided under these Terms and Conditions.

If there is or arises any inconsistency or ambiguity between the Parts of these NAB Payments Terms and Conditions and the various documents referred to in them either expressly or by implication, the following order of precedence will apply:

(a) the Terms and Conditions for the relevant Service;

(b) any approved Variation to Terms and Conditions;

(c) the General Terms;

(d) the Schedules;

(e) the File Format;

(f) the User Guides.

5. File Format & User Guides

You must comply, and ensure staff comply, with all guidance, instructions and rules in the File Format & User Guides.

6. Intellectual Property

6.1 Nothing in these Terms and Conditions or your use of NAB Payments gives you any right or interest in any Intellectual Property rights in NAB Payments, the File Format, the Services or the NAB Payments Documentation. You acknowledge and agree that we (or third parties who have licensed Intellectual Property rights to us) retain all Intellectual Property rights in NAB Payments and any Service and NAB Payments Documentation.

7. Fees and Charges

7.1 You will pay us the fees for performing the Services that we have agreed with you.

(a) Pricing for Services is determined by the projected annual volume and value of transactions to be processed as advised by you.

(b) The current fees denominated in Australian dollars are as set out in the Pricing section of the Schedule.

(c) Fees for ancillary Services as set out in the Schedule are subject to change.

(d) NAB Payments transaction fees have been based on a 3-year term and will be subject to an initial 6-month review, and annually thereafter. Should volumes differ materially either way from those used to calculate any or all of the transaction fees, those fees will be subject to review.

You will be notified of a change to a fee for an ancillary service in your Confirmation of Monthly Usage notice the month before the fee change is to occur, except for special provision of service fees such as courier or express post services.

(e) Direct Entry transaction fees will be subject to annual review. Should volumes differ materially either way from those used to calculate any or all of the transaction fees, those fees will be subject to review.

You will be notified of a change to a Direct Entry fee for transaction or ancillary services in accordance with Terms and Conditions for NAB Connect Direct Link.

(f) Unless we agree otherwise, fees will be debited to your Account with us by the 7th Business Day following the end of each month such fees are incurred.

(g) Fees to be debited to your nominated Account with us will be debited in Australian dollars.

(h) We will advise you in writing of the Fees charged to your Account each month.

7.2 In addition to the fees referred to in clause 7.1, if you terminate the Agreement before the end of the Initial Period, we may at our discretion charge you a fee representing our reasonable estimate of the costs arising from the early termination, which will not exceed the amount of the cost of implementing NAB Payments for your business (the "Early Termination Fee") (see the Schedule). If applicable, you agree to pay the Early Termination Fee on demand from us. This fee may also apply if you cease to use the Service during the Initial Period.

We may at our discretion charge you for any unused overprinted Customised colour base stock on hand following the termination of this Agreement. This charge will include cost of base stock, colour overprint and the cost of secure destruction of any excess Customised stock.

8. Liability

8.1 You may be liable for amounts (including any liability, loss or cost incurred by NAB) arising from any alteration made to a Bank Cheque or Corporate Cheque after it has been dispatched by us.

8.2 You may be liable for amounts (including losses or damages suffered by NAB) arising in relation to your use of NAB Payments and the indemnities you give NAB.

8.3 National Australia Bank's liability is limited in relation to NAB Payments. For example, NAB is not liable for any loss or damage resulting from any failure or other deficiency of the provision of the Services available through NAB Payments, including where the Services are provided by third parties. Further NAB's liability in relation to any condition or warranty implied by law is, in any event, limited to the resupply, or the cost of resupplying, the Services.

National Australia Bank's liability in respect of NAB Payments may also be limited in some other circumstances, such as where a validation code or authentication device is misused, or where you or (if relevant) the authorised user should have been aware that NAB's equipment or system was unavailable for use or malfunctioning.

9. Costs, indemnity and GST

9.1 You agree to pay or reimburse:

(a) our reasonable Costs in connection with giving and considering consents, waivers, variation and amendments; and

(b) our reasonable Costs in exercising, enforcing or preserving rights (or considering doing so), or doing anything in connection with any enquiry by an authority involving you; and

(c) Taxes and fees (including registration fees) and fines and penalties in respect of fees paid, or that we reasonably believe are payable, in connection with this Agreement or a payment or receipt or any other transaction contemplated by this Agreement. However, you need not pay a fine or penalty in connection with Taxes or fees to the extent that you have placed us in sufficient cleared funds for us to be able to pay the Taxes or fees by the due date.

(d) You agree to pay amounts due under this clause on demand from us.

9.2 You indemnify us against any liability or loss arising from, and any Costs incurred in connection with:

(a) termination of this Agreement at any time before the expiration of the Initial Period; or

(b) performing the Services; or

(c) us acting in good faith on fax, email or telephone instructions purporting to originate from your offices; or

(d) us acting on your instructions to cancel or stop a Bank Cheque that we have drawn pursuant to clause 23.2, in circumstances where that Bank Cheque is subsequently presented and paid otherwise than due to our gross negligence or fraud; or

(e) your instructions to cancel or stop a Corporate Cheque that we have printed pursuant to clause 23.3, in circumstances where that Corporate Cheque is subsequently presented and paid otherwise than due to our gross negligence or fraud; or

(f) any alteration made to a Bank Cheque or Corporate Cheque by you, your agents or your employees after we have despatched it; or

(g) production of cheques with signatures of previous signatories where you have failed to notify us of a change of signatories in accordance with 23.12, and any resultant dishonour or Account fees incurred due to the issuing of Corporate Cheques with incorrect signatures; or

(h) the production or issuing of, payment of or failure to pay, or any other matter in relation to a Corporate Cheque; or

(i) delayed production of print output where you have included a Processing State code other than VIC in File header without our prior consent to print in that state; or

(j) an Event of Default; or

(k) our exercise or attempt to exercise a right or remedy in connection with this Agreement after an Event of Default; or

(l) this Agreement.

You agree to pay amounts due under this indemnity on demand from us.

9.3 When you send us a request to stop or repurchase a Bank Cheque you acknowledge that, the consideration for which the Bank Cheque was purchased has been otherwise satisfied, and you request us to refund to you the amount of the Bank Cheque, and you declare that at the time of the request you have an absolute title to the cheque and proceeds thereof. You further undertake to hand to us the cheque should it at any time come into your hands.

9.4 If we incur any loss or damage as a result of a person other than you or us altering a Bank Cheque or Corporate Cheque which we have despatched for you, then we may to the maximum extent permitted by applicable law, recover such loss or damage from you on demand by whatever means we deem necessary including debiting your Account on 7 days' prior written notice. We will not rely on this clause 9.4 if it is not fair or reasonable to do so.

9.5 You agree that:

(a) the Costs referred to in clause 9.1, and the liability, loss or Costs referred to in clause 9.2 include legal Costs in accordance with any written agreement as to legal Costs (whether or not you are a party to the agreement) or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis; and

(b) the Costs referred to in clause 9.1(a) and (b) include those paid, or that we reasonably believe are payable, to persons engaged by us in connection with this Agreement (such as consultants); and

(c) loss or liability and any Costs in any indemnity under this Agreement may include an amount called "termination fees" (see clause 7.2).

9.6 You agree to pay an amount equal to any liability or loss and any Costs of the kind referred to in clause 9.2 suffered or incurred by any of our employees, officers or contractors on demand from us.

9.7 GST – Australia and New Zealand

(a) Any amount referred to in this Agreement, which is relevant in determining a payment to be made by any of the parties to another is exclusive of GST unless indicated otherwise.

(b) If one party ("**supplier**") makes a Taxable Supply to another party ("**recipient**") and the consideration for the supply is expressed as GST inclusive consideration, the recipient must pay, in addition to and at the same time as the GST exclusive consideration is payable for the supply, an amount calculated by multiplying the amount of that GST exclusive consideration (without deduction or set-off) by the prevailing GST rate.

(c) The supplier must provide a Tax Invoice to the recipient for any Taxable Supply made to the recipient for the recipient to make payment.

(d) If the amount of GST recovered by the supplier from the recipient differs from the amount of GST payable at law by the supplier (or an entity that is in the same GST group as the supplier) in respect of the supply, the amount of the difference must be paid by, or refunded to the recipient, as the case may be.

(e) If one party must indemnify or reimburse another party for any loss or expense incurred by the payee, the required payment does not include any amount for which the payee (or an entity that is in the same GST group as the payee) is entitled to a GST Credit.

(f) If the GST rate changes after the date of this Agreement, any consideration that expressly includes GST must be adjusted to reflect the change in the GST rate.

10. Disclaimer

10.1 Disclaimer

(a) We will use all reasonable endeavours to ensure the continuity and efficiency of the Services at all times but, subject to paragraph (c) of this clause, shall not be liable (whether in contract, tort or in otherwise) for any loss or damage whatsoever arising out of any failure or other deficiency of the provision of the Services or any part of them, or any failure to provide the Services or any part of them, except where such loss or damage was caused by our negligence, wilful default or fraud and will not be liable for consequential or indirect loss or damage or loss of profits whatsoever.

(b) You acknowledge that we may use third parties to perform various tasks in connection with the provision of the Services (including, without limitation, the production and despatch of Cheques) and agree that we shall not be liable (whether in contract, tort or in otherwise) for any loss or damage whatsoever arising out of any failure or other deficiency of the provision of such tasks by any third party, except to the extent that such loss or damage was caused by our negligence, wilful default or fraud.

(c) We expressly disclaim all conditions and warranties, express or implied, in respect of the provision of the Services including any condition or warranty of merchantability or of fitness for a particular purpose. If any condition or warranty is implied in this Agreement pursuant to any legislation (including, without limitation, the Trade Practices Act 1974 (Cwlth) and Consumer Guarantees Act 1993 (New Zealand)) and the legislation avoids or prohibits provisions in a contract excluding or modifying the application of, exercise of, or liability under such condition or warranty, the condition or warranty shall be deemed to be included in this Agreement provided that our liability for breach of the condition or warranty shall, if the legislation so permits, be limited, in our sole discretion, to–

(i) the resupply of the Services; or

(ii) the cost of resupplying the Services;

(d) And otherwise shall be limited to the maximum extent permitted by law.

11. Waiver

You or we may only waive a right created by this Agreement by giving the other notice in writing.

12. Changes we may make

In addition to the other changes we may make to these Terms and Conditions which are detailed in this Agreement, we may change other parts of this Agreement (including by imposing new fees or charges, changing the amount, type, or method of calculation of fees and charges payable). We will make any changes in accordance with any applicable legislation and industry codes.

13. Notice of changes

13.1 Unless otherwise specified in this Agreement or separately agreed between you and us, we will give you notice of changes as set out below and you agree to receiving notice in such ways:

(a) Notice of changes to fees and charges will be given in writing at least 30 days before the change takes effect;

(b) Notice of changes to government fees and charges will be given by media advertisement, in writing or electronically as soon as practicable after, but no later than 3 months after, the change takes effect; and

(c) Notice of any other changes to this Agreement will be given in writing at least 30 days before the change takes effect.

13.2 You agree to notify us promptly of a change to your address, contact details, Account details or other information we require to satisfy the delivery of Services.

13.3 Unless determined otherwise by us, any notice you give us under this Agreement must be given in writing.

14. Confidential information

14.1 We both agree not to disclose information provided by any other party that is not publicly available except:

(a) to any person in connection with an exercise of rights or a dealing with rights or obligations under this Agreement (including in connection with preparatory steps such as negotiating with any potential assignee); or

(b) to our and your officers, employees, legal and other advisers and auditors; or

(c) to each other or any of our or your related entities, provided the recipient agrees to act consistently with this clause 14.1; or

(d) with the consent of the party who provided the information (such consent not to be unreasonably withheld); or

(e) as required by any law or stock exchange.

14.2 We both acknowledge and agree to comply with our respective obligations under the Privacy Act 1988 in relation to "personal information" (as defined in the Privacy Act 1988) disclosed or received in relation to this Agreement.

14.3 You acknowledge that we have obligations under the Anti-Money Laundering and Counter Terrorism Finance Act 2006. We have an obligation to report certain transactions, including international funds transfer instructions, and we will comply with those obligations in relation to this Agreement.

14.4 Your personal information and privacy

In the course of establishing NAB Payments or Direct Entry Processing we may need to collect personal information from you.

(a) The privacy of your personal information has always been important to us at the National Australia Bank Group ("NAB Group"). The NAB Group is the National Australia Bank Limited and its subsidiaries such as MLC Ltd. It includes all our banking, financing, funds management, financial planning, superannuation, insurance, broking and e-commerce organisations.

This statement is an outline of certain matters relating to the collection and handling of your personal information by the NAB Group.

(b) NAB will collect personal information for the purposes of:

- Providing you with an account or service (including assessing your application);
- Managing and administering your account or service;
- Identifying you and protecting against fraud;
- Verifying your authority to act on behalf of a customer;
- Determining whether a beneficiary will be paid a benefit upon a person's death;
- Letting you know about accounts or services from across the NAB Group that might better serve your financial, e-commerce and lifestyle needs or promotions or other opportunities in which you may be interested.

(c) If you provide us with incomplete or inaccurate personal information, NAB may not be able to process your requests and applications or manage or administer your accounts or services. It may also not be possible to tell you about other accounts or services from across the NAB Group that might better serve your financial, e-commerce and lifestyle needs.

(d) NAB may disclose your personal information to other organisations:

- Involved in providing, managing or administering the accounts and services we offer, including third party suppliers (eg printers, posting services etc), other NAB Group organisations, loyalty and affinity program partners and our advisers;
- Who are your financial or legal advisers or representatives and their service providers;
- Involved in maintaining, reviewing and developing our accounts, business systems, procedures and infrastructure including testing or upgrading our computer systems;
- Involved in a corporate re-organisation or involved in a transfer of all or part of the assets or business of a NAB Group organisation;
- Involved in the payments system including financial institutions, merchants and payment organisations;
- Which are NAB Group organisations who wish to tell you about their accounts or services that might better serve your financial, e-commerce and lifestyle needs or promotions or other opportunities, and their related service providers, except where you tell us not to;
- As required or authorised by law and/or where you have given your consent.

(e) Your personal information may also be used in connection with such purposes. Because the NAB Group operates throughout Australia and overseas, some of these uses and disclosures may occur outside your State and Territory and Australia.

(f) Gaining access to your personal information

You can gain access to your personal information. This is subject to some exceptions allowed by law. We will give you reasons if we deny access. Contact us to get a form requesting access (see 'Customer details under Summary of Important Information at the front of this booklet'). In some cases, we may be able to deal with your request over the telephone or over a counter.

(g) For more information about our Privacy Policy, please call: 13 22 65 (and select the option to speak to a Customer Service Representative). Or visit us at nab.com.au

(h) For more information about privacy in general, you can visit the Federal Privacy Commissioner's website privacy.gov.au

15. Capacity

15.1 We enter into this Agreement as principal with respect to our obligations under this Agreement.

(a) We may also without your consent subcontract any of our obligations under this Agreement.

(b) We may with your prior written consent (not to be unreasonably withheld or delayed) assign or otherwise deal with our rights under this Agreement.

(c) If we subcontract any of our obligations under this Agreement we remain responsible for the performance of those obligations as if we were the party carrying out those obligations.

15.2 You are entering into this Agreement as principal. You acknowledge that, even if you may be acting as agent in respect of a transaction, without affecting any rights we might have against your principal, we shall treat you as a principal in respect of such transactions.

15.3 Nothing contained or implied in this Agreement constitutes you the partner, agent, or legal representative of us for any purpose or creates any partnership, agency or trust, and you have no authority to bind us in any way.

16. Code of Banking Practice

16.1 We have adopted the Code of Banking Practice and relevant provisions of the Code apply to NAB Payments and each Service, if you are an individual or a small business customer (as defined by the Code).

16.2 You can obtain from us upon request:

(a) information on NAB current standard fees and charges concerning NAB Payments and the Services; and

(b) general descriptive information concerning NAB's banking services including:

(i) for accounts with cheque access, general descriptive information about cheques;

(ii) account opening procedures;

(iii) NAB's obligations regarding the confidentiality of your information;

(iv) complaint handling procedures;

(v) bank cheques;

(vi) the advisability of you informing NAB promptly when you are in financial difficulty;

(vii) the advisability of you reading the Terms and Conditions applying to the relevant banking service; and

(c) general descriptive information about:

(i) the identification requirements of the (Financial Transactions Reports Act 1988);

(ii) the options available to you under the tax file legislation; and

(d) a copy of the Code of Banking Practice.

17. Complaint Investigation and Resolution Procedure

For information about resolving problems or disputes, contact NAB on **1800 152 015**, or go to http://www.nab.com.au/About_Us/0,,81581,00.html. For more details about our internal dispute resolution procedure please ask for our complaints resolution brochure.

If you subsequently feel that an issue has not been resolved to your satisfaction, you may be able to raise your concerns with the Financial Ombudsman Service Limited if you are an individual or small business owner.

18. Notices

18.1 Unless expressly stated otherwise in this Agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this must be in writing, signed by an authorised officer of the sender and marked for attention as set out or referred to in Part E Details or, if the recipient has notified otherwise, then marked for attention in the way last notified by the recipient.

18.2 They must be:

(a) left at the address set out or referred to in Part E Details; or

(b) sent by prepaid post (airmail, if appropriate) to the address set out or referred to in Part E Details; or

(c) sent by fax to the fax number set out or referred to in Part E Details; or

(d) sent by email to the email address set out or referred to in Part E Details.

However, if the intended recipient has notified a changed postal or email address or changed fax number, then the communication must be to that address or number.

18.3 They take effect from the time they are received unless a later time is specified in them.

18.4 If sent by post, they are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

18.5 If sent by fax, they are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

18.6 If sent by email, they are taken to be received at the time shown in the transmission report as the time that the whole email was sent.

18.7 We will send a Confirmation of Monthly Usage to the address you advise us during Implementation.

19. Default

It is an Event of Default (except if waived) if any party fails to perform or observe any material term or condition of this Agreement and does not rectify such failure within 7 days of it occurring.

20. Term and termination

20.1 The Agreement commences on the date that it is signed as set out in Part F Agreement (the "Commencement Date") and, subject to clauses 20.2 to 20.4 inclusive, and unless otherwise specified in the Part E Details Termination Date, terminates on the date which is 3 years after the Commencement Date.

20.2 If you do not wish to renew the term of the Agreement, you must give us at least 30 days written notice to this effect before the end of the term. We are not obliged to renew the term of the Agreement and will notify you if the Agreement is not automatically renewed.

20.3 The Agreement can be terminated by either of us giving the other party 30 days written notice of such termination. However, if you terminate the Agreement before the end of the Initial Period, then you may be liable for certain costs (see clause 7.2).

20.4 Any party may terminate the Agreement at any time if:

(a) an Event of Default occurs;

(b) another party becomes, threatens or resolves to dissolve or is in jeopardy of becoming subject to any form of insolvency administration; or

(c) another party ceases or threatens to cease materially conducting its business in the normal manner; or

(d) any party having failed to perform its obligations under this Agreement to a commercially acceptable level, continues to fail to perform them for 7 days after having been requested to perform them.

20.5 You may cease to use the Service within the Initial Period. However, if you cease to use the Service, and have not used the Service to the extent indicated in the Schedule to the Agreement before the end of the Initial Period, then you may be liable for certain costs (see clause 7.2).

20.6 When the Agreement is terminated, you must immediately pay us any outstanding fees, charges and costs due under the Terms and Conditions of the Agreement.

20.7 The termination of the Agreement (including by expiration of the term or by termination in accordance with clause 20.4) does not affect any of your or our rights and obligations which arose before it ended including, without limitation, in relation to our right to recover accrued fees, charges and costs. The rights and remedies given to a party in this clause are not intended to be exclusive and are in addition to any rights and remedies that a party may have in law or equity.

21. Risks

(a) It is important to safeguard any secret information, equipment and software (including any authentication device) required for your operation of NAB Payments. If you do not, then you may be liable for unauthorised transactions and other amounts as set out in these Terms and Conditions.

(b) You may also have other liabilities, and National Australia Bank's liability may be limited, as described in these Terms and Conditions. There are some aspects to operating NAB Payments that may involve some risks, including those detailed below. This important information should be read and understood before you decide to use NAB Payments.

(c) This information is intended to provide you with a general warning of the risks which can arise when using NAB Payments. Further information about each of these risks is set out in these Terms and Conditions.

(d) Operational risk is the risk of delays and errors due to a failure of National Australia Bank systems and procedures. National Australia Bank seeks to maintain efficient and effective internal processes and systems. However, a delay or error caused by National Australia Bank's, or external, systems and procedures may lead to unfavourable outcomes to you.

22. Miscellaneous

22.1 We may not be obliged to process Bank Cheques or Direct Credit instructions where there are insufficient cleared funds in your Account.

22.2 At our discretion we may apply (without notice) any credit balance in any currency of any of your bank accounts with us for the satisfaction of any amount then payable by you to us under this Agreement. You authorise us in your name or our name to do anything (including, without limitation, to execute any document) that is required for that purpose.

22.3 Each indemnity in this Agreement is a continuing obligation, separate and independent from your other obligations and survives termination of this Agreement. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

22.4 We may exercise a right or remedy or give or refuse our consent under this Agreement in any way we consider appropriate (including by imposing conditions). If we do not exercise a right or remedy under this Agreement fully or at a given time, we may still exercise it later.

22.5 We are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under this Agreement.

22.6 Our rights and remedies under this Agreement are in addition to other rights and remedies given by law independently of this Agreement.

22.7 Rights given to us under this Agreement and your liabilities under this Agreement are not affected by anything which might otherwise affect them at law.

22.8 To the extent permitted by law, this Agreement prevails to the extent it is inconsistent with any law.

22.9 Any present or future legislation which operates to vary your obligations in connection with this Agreement with the result that our rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

22.10 You agree to do anything we reasonably ask (such as obtaining consents, signing and producing documents and getting documents completed and signed):

(a) to bind you to this Agreement; and

(b) to show whether you are complying with this Agreement.

22.11 This Agreement is governed by the laws in force in Victoria. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and courts of appeal from them.

22.12 If the whole or any part of a provision of this Agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this Agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this Agreement or is contrary to public policy.

Part B NAB Payments Terms and Conditions

23. Transaction Services

NAB Payments provides you with the ability to outsource the processing of your accounts payable function to National Australia Bank. NAB Payments allows you to settle your accounts payable or other payments by simply lodging one electronic File containing cheque payment, Direct Credit, remittance advice detail and stop Bank Cheque requests.

23.1 Service Description

To send NAB Payments Files to us, receive Reports from us and enable us to process transactions on your behalf;

(a) You will be required to become a registered user of the Bulk Electronic Clearing System (BECS) for the use of Direct Credit. NAB Direct Credit is issued by National Australia Bank.

(b) You will also require an approved NAB delivery channel such as:

- NAB Connect Direct Link incorporating Reporting Services; or
- National Online Corporate incorporating Financial File Transfer.

23.2 Bank Cheque Payments

(a) We will allocate to you a dedicated Bank Cheque Clearing Account for the purposes of processing Bank Cheque instructions, and

(b) procure the:

(i) preparation of Bank Cheques and related remittance material;

(ii) debiting of your Account for the value of prepared Bank Cheques; and

(iii) dispatching of Bank Cheques and related remittance material that have been prepared,

in accordance with the instructions contained in each Valid File that we have received from you by the Cut Off time.

23.3 Corporate Cheque Payments

We will procure the:

(a) preparation of Corporate Cheque and related remittance material (including the affixing of authorised signatures); and

(b) dispatching of Corporate Cheques and related remittance material that have been prepared,

in accordance with the instruction contained in each Valid File that we have received from you by the Cut Off time.

23.4 Direct Credit Payments

We will, in accordance with the instructions contained in each Valid File that we have received from you by the Cut Off time prepare Direct Credit instructions and the related remittance details that are to be posted, sent by facsimile transmission or electronic mail to your payees and will,

(a) debit your nominated Account for the value of prepared Direct Credit instructions; and

(b) effect the Direct Credit instructions that we have prepared.

23.5 Non-value Advices

We will procure the:

(a) preparation of Advice Only remittance material; and

(b) dispatching of Advice Only remittance materials that have been prepared,

in accordance with the instruction contained in each Valid File that we have received from you by the Cut Off time.

23.6 Files

Files must be in the format agreed by us, preferably in NAB Payments Links 2.4.0, 2.6.2 or a later version, and comply with the requirements set out in NAB Payments File Format Import Rules.

All Files must be delivered to us by the Cut Off times set out in clause 23.7 via your Approved Delivery Channel.

You may request a File to be recalled prior to processing. You may be charged the File recall fee for this service as set out in Part D Schedule. In some circumstances it may not be possible for us to comply with your request to recall a File from processing, in which case we will notify you of our inability to comply as soon as practicable after we become aware of such circumstances.

Payment instructions will be validated on the criteria outlined in the File specifications.

23.7 Cut Off Times

File Type	**Cut-off Time (Melbourne time) on a Business Day**	**Process timing if received before cut-off time**	**Process timing if received after cut-off time**
Bank Cheque payments and Direct Entry and Advice notices	10am	Same day print and post lodgement	Next Business Day
Direct Entry, Corporate Cheque and Advice notices (no Bank Cheque payments)	3pm	Same day value of Direct Entry and delivery of fax and email output. Print and post instructions in these Files will be printed and mail lodged the next Business Day.	Next Business Day
Government Direct Entry, Corporate Cheque and Advice notices (no Bank Cheque payments)	5pm day prior to payment date	Payment day value of Direct Entry and delivery of fax and email output. Print and post instructions in these Files will be printed and mail lodged on payment date.	Not applicable
Stop Bank Cheque instructions (File or manual)	3pm	Same day processing	Next Business Day
For West Australian customers who have a special Fund ID for which all items are to be processed in Perth (all print and post output from the File).	3pm The File will only be valid if Processing State code WEA has been included in field H7. This is a Production validation only, not an import validation.	Same day processing	Next Business Day

23.8 Failed Items Treatment

Payment instructions will be validated on the criteria outlined in the File specifications.

A Direct Credit payment may have to be returned to you due to an incorrect bank number, BSB or NAB account number.

On set up of your service you will advise us of your preferred treatment for Direct Credit items which fail our account validation criteria.

You will select one of:

(a) Return Individual Fails to your nominated Account, File total remains as authorised by you;

(b) Remove Individual Fails from your File, File total is adjusted to reflect successfully disbursed items only; or

(c) Return Bulk Fails to your nominated Account as one (1) amount, File total remains as authorised by you.

All failed items for your service will be treated in accordance with your selected treatment.

Remittances associated with these payments will not be sent to the customer.

You will receive notification in the Acknowledgement and Disbursement Reports of any failed payments. A direct entry processing fee will apply to these payments, as set out in Part D Schedule.

Where an Advice Only 'A' item is associated with failed value items the Advice will be issued to the designated recipient.

Failed items treatment for users of NAB Payments File Format 2.0 or earlier will be Return Individual Items. Failed items treatment for users of International Bulk Payments File Format will be Return Individual Items.

23.9 Paying for Value Instructions

(a) You agree to pay us money equal to the value of all Bank Cheques that we draw and all Direct Credits that we effect in accordance with your instructions and acknowledge that we are under no obligation to perform the Services until we have received such payment in cleared funds.

(b) When a Corporate Cheque is drawn on your Account for the purposes of this Agreement, it will, when the Corporate Cheque is presented for payment:

  (i) be deemed to be a request by you to withdraw funds from your Account with for the amount shown on the Corporate Cheque; and

  (ii) constitute an authority to pay those funds to the payee, indorsee, holder, bearer, depositor, or presenter of the cheque or that person's bank unless stopped by you in accordance with this Agreement.

You authorise us to pay a Corporate Cheque drawn on your Account notwithstanding it is a stale cheque within the meaning of the Cheques Act 1958 (Australia) or equivalent legislation applicable in Australia.

23.10 Payment Account

Unless we otherwise agree in writing, each customer shall establish an Account with us. You will at all times maintain the Account in credit and maintain the credit balance of the Account greater than or equal to the sum of any amount owed to us by you from time to time under or in connection with this Agreement (except to the extent permitted by the terms of any credit facility that we grant to you).

You will be deemed to be in credit under this clause if you are within the limit of any overdraft facility on the relevant Account.

A processing limit will also be put in place. This will govern the value of transactions which can be processed for you using NAB Payments without referring to your Banker.

23.11 Failure to make Electronic Payments

If we are unable to comply with any Direct Credit instructions for the reason that the nominated payee bank account details are deficient, we will advise you of that fact as soon as practicable after we become aware of that failure.

We will not be liable to you in any way for a failure to make a Direct Credit payment as a result of a deficiency in the nominated payee bank account details, except to the extent that such deficiency resulted directly from our fraud, negligence or wilful default.

23.12 Signature for Corporate Cheques

You must supply us with samples of signatures of current authorised signatories in relation to Corporate Cheques. These signatures (or any one of them) will be printed on each Corporate Cheque.

You must notify us promptly of any change to the authorised signatories in relation to Corporate Cheques and provide us with sample signatures of any replacement or additional authorised signatories.

You expressly authorise us to prepare Corporate Cheques on your behalf and affix copies of such signatures to the Corporate Cheques as contemplated by this Agreement. You represent and warrant that the signatories have consented to such usage.

23.13 Interest on unpresented Bank Cheques

At National Australia Bank's absolute discretion, you may receive interest on Bank Cheque amounts relative to unpresented Bank Cheques.

If applicable:

(a) this interest is calculated daily on balances outstanding relative to unpresented Bank Cheques and is payable monthly on the first Business Day of the month; and

(b) the annual interest rate is described in the Schedule.

23.14 Reports

You can select for us to send you any of the following Reports as they are produced from our system.

(a) Acknowledgement – A summary of the contents of your Valid File in tabular format. Produced on successful import of your File and sent to you by email or your NAB delivery channel.

(b) Disbursement – A detailed listing of the disbursement of items from your Valid File in tabular or raw data (CSV) format. Produced on successful import of your File and sent to you via your NAB delivery channel.

(c) Presented Cheques – A detailed listing of cheques issued by NAB Payments presented to your allocated Bank Cheque Account or Corporate Cheque Account the previous Business Day in tabular or raw data (CSV) format. Produced daily and sent to you via your NAB delivery channel. This Report can be used in conjunction with your Account Reporting information you receive daily from your NAB delivery channel.

(d) Unpresented Cheques – A detailed listing of cheques issued that remain outstanding in tabular or raw data (CSV) format. Produced daily and sent to you via your NAB delivery channel. This Report does not include items issued before the Cut Over Date. A fee applies for adhoc requests for Unpresented Cheques Reports and for Reports on items issued before the Cut Over Date. If you stop a Corporate Cheque it will remain on your Unpresented Cheques Report until you request us to reconcile the item in our systems.

(e) Stops Report – A listing of File stops and form stops received the previous day and the outcome of the request in tabular format. Produced daily and sent to you via your NAB delivery channel for items issued after the Cut Over Date. For items issued before the Cut Over Date a manual stop Report will be emailed to you.

Reports sent via your NAB delivery Channel will be delivered to you in accordance with the channel's report delivery timings.

23.15 Dividend Services

In accordance with the arrangements you make with us and your Investor Services Provider at establishment:

We will provide;

(a) Cheque base stock to your Investor Services Provider; or

(b) Cheque base stock to your Investor Services Provider and processing of payment File by your Investor Services Provider;

We may also provide;

(a) Management of invoices from your Investor Services Provider

(b) Unpresented Item Reporting to your Investor Services Provider by either

  (i) NAB Payments Reporting where dividend File is processed through NAB Payments; or

  (ii) Customer Transactions Processed (CTP) reporting

(c) Stopping of Bank Cheques by;

  (i) Request to stop individual Bank Cheque received from Investor Services Provider; and

  (ii) Request to stop all outstanding Bank Cheques issued on a specific day received from you.

You are responsible for arrangements with your Investor Services Provider for Dividends and associated activities.

You or your Investor Services Provider will give us at least 4 weeks notice of a Dividend run.

Where Custom cheque stock is required you or your Investor Services Provider will give us at least 6 weeks notice of a Dividend run.

23.16 Authority

You authorise us to debit your Account with the sum of any amount owed to us by you from time to time under or in connection with this Agreement, in priority to any other payment.

You agree to reimburse us immediately to the extent that the balance of the credit in the Account is less than any amount that we debit.

23.17 Availability

The performance of the Service is at our discretion. However, if we are unable to perform the Service on any Business Day, we will use all reasonable efforts to notify you of such inability by 2pm (Melbourne time) on that Business Day.

23.18 Approved Delivery Channel

Unless we agree otherwise you must obtain an Approved Delivery Channel such as NAB Connect Direct Link or National Online Corporate in conjunction with NAB Payments. National Australia Bank will sponsor you to become a registered user of the Bulk Electronic Clearing System. To become a registered user you must obtain NAB Direct Credit.

23.19 Information and assistance

You will deliver to us such information and provide to us such assistance as we require to perform the Services and respond to any queries that we receive in relation to the Services. The information must be delivered in the form that we require.

You will ensure that any information that is provided to us is properly authorised by you for delivery to us.

23.20 Security

You will implement such security procedures as are required to properly protect any information that you provide to us from improper access, alteration or destruction.

23.21 Your Account

You represent and warrant that your Account is designed primarily for use by a business and is established primarily for business purposes.

23.22 General

You must:

(a) comply with this Agreement, or any subsequent instructions issued by us to you in writing which are reasonably required in order for us to provide the Services in accordance with this Agreement;

(b) notify us as soon as is practicable of any change to your financial position which may affect your ability to comply with your obligations under this Agreement;

(c) on prior written notice from us, allow our employees, contractors or agents to enter your premises as reasonably necessary during normal business hours to check your compliance with this Agreement;

(d) comply with all relevant laws and the Terms and Conditions of this Agreement; and

(e) except with our prior written consent, not assign or charge your rights under this Agreement.

24. Ancillary Services

24.1 Delivery

We will arrange for the posting of Bank Cheques, Corporate Cheques and remittance details to the addresses that you have instructed us to post them to, by the relevant Postal Services' standard delivery service, unless you request and make prior arrangements with us for an Alternative Postal Service.

We are not responsible for the delivery of Bank Cheques, Corporate Cheques and remittance details in any circumstance once they have been lodged with the relevant Postal Service.

You will pay for all postage and delivery costs in connection with the Services set out in the pricing Schedule, unless otherwise agreed with you.

We will arrange for the electronic delivery of fax and email remittance details to the phone numbers and mailboxes that you have instructed us to deliver them to.

You will be advised of failed electronic deliveries via email to your nominated email address the next day. A fee applies for failed electronic deliveries.

24.2 Stopping Bank Cheques

If a Bank Cheque, which we have posted, is lost, stolen or destroyed you may request National Australia Bank to stop this cheque.

(a) There are 2 ways you may request a Bank Cheque to be stopped:

  (i) Include a non-value stop Bank Cheque instruction in a Valid File received before 3.00pm (Melbourne time). This does not apply for users of NAB Payments File Format 2.0 or below, or formats other than NAB Payments File Format; or

  (i) Request the stop Bank Cheque in writing using the standard form provided and faxed direct to the NAB Payments Helpdesk or emailed electronically to the NAPS mailbox naps.mailbox@nab.com.au before 3.00pm (Melbourne time). We may request further information or documentation in relation to a request to stop a Bank Cheque.

(b) You are required to provide us with an indemnity for stopped cheques (see clauses 9.2 (d) and 9.3). A handling fee applies for this service (see Schedule to this Agreement).

(c) In some circumstances it may not be possible for us to comply with your request to stop a Bank Cheque.

(d) Cut Over Date – it may be that a request to stop a Bank Cheque will fail due to Cheque Not Found. For File stop requests this may mean either that the cheque number advised has not been issued, or was issued prior to the Cut Over Date for us to automatically check issuance. A manual stop Bank Cheque request may be lodged and a manual process undertaken by the NAB Payments Helpdesk to effect the stop if the Bank Cheque remains unpresented.

(e) You will be advised in your Stop Report of the success of your request to stop a Bank Cheque.

(f) Value for successful stop Bank Cheque requests received before 3.00pm (Melbourne time) will be refunded to your nominated Account that Business Day as individual items.

(g) We are not liable for any loss or damage arising from any failure of, or delay in, carrying out a stop Bank Cheque request, except where such delay has been directly caused by our negligence, wilful misconduct or fraud.

24.3 Repurchasing Bank Cheques

If a Bank Cheque has been issued and returned to you, you may request the cheque to be repurchased with funds credited back to your nominated Account. This request must be in writing using the standard template provided and requires the return of the Bank Cheque in its original condition to the NAB Payments Helpdesk before a refund can be processed. A handling fee applies for this service (see Part D Schedule).

24.4 Stopping Corporate Cheques

Requests to stop Corporate Cheques must be made by you before the Corporate Cheque is paid. Such a request may be made using any of our approved channels such as National Online Corporate, NAB Connect or Direct Services. We may request further information or documentation in relation to a request to stop a Corporate Cheque.

You may be charged a stop payment fee by National Australia Bank for this service in accordance with the Terms and Conditions governing the Account. This fee will be detailed on your Account Statement.

In some circumstances it may not be possible for us to comply with your request to stop a Corporate Cheque. If such circumstances arise, we will notify you as soon as reasonably practicable after we become aware of such circumstances.

We are not liable for any loss or damage arising from any failure of, or delay in, carrying out a stop cheque request, except where such delay has been directly caused by our negligence, wilful misconduct or fraud.

When you stop a Corporate Cheque using our approved channels the cheque number will remain on your Unpresented Items Report until you request us to reconcile the item in our systems.

24.5 Dishonour of Corporate Cheques

Your Corporate Cheque may at our reasonable discretion be returned unpaid or "dishonoured" in certain circumstances, such as where:

(a) there are not enough available funds in your Account to meet the Corporate Cheque;

(b) there is some irregularity with the Corporate Cheque as presented (for example, it is more than 15 months old or has been materially altered);

(c) you have instructed us to stop payment of the Corporate Cheque.

You may also incur a dishonour fee in accordance with the Terms and Conditions governing the Account.

24.6 Customised Cheques

We may, in our discretion, agree to customise the form of Cheques on your request and at your cost. A fee will apply if there is outstanding base stock at the time you terminate your arrangement with us (see clause 7.2).

24.7 Extraction of Production Item

You may request us to recall printed items prior to dispatch. Such requests must be made to the NAB Payments Helpdesk by 1 hour after Cut Off for the File, eg. by 11am for Files with a Cut Off of 10am. You must advise the NAB Payments Helpdesk of the details of the item to be recalled, including the line number in the File. It may not be possible for us to extract the item from production if it has already completed mail lodgement. A fee per item as set out in Part D Schedule applies for this service.

Part C Direct Entry Processing Terms and Conditions

25. Meaning of Words

The following definitions of terms apply only to this Part.

File means your File which contains Direct Credit and/or Direct Debit payment instructions.

File Format means the industry standard ABA File Format.

Valid File means a File that complies with the industry standard ABA File Format, received by the Cut Off time and within the value of your Formal Limit.

26. Transaction Services

Direct Entry using NAB Payments systems provides you with the ability to outsource the processing of your accounts payable or other payments to National Australia Bank. Direct Entry allows you to settle your accounts payable or other payments by simply lodging an electronic File containing Direct Credit and/or Direct Debit requests.

26.1 Service Description

To send Direct Entry Files to us, receive Reports from us and enable us to process transactions on your behalf;

(a) You will be required to become a registered user of the Bulk Electronic Clearing System (BECS) for the use of Direct Credit, Direct Debit or both. NAB Direct Credit and Direct Debit are issued by National Australia Bank. You will need to complete a Credit User Application to become a Direct Credit User and/or a Debit User Agreement to become a Direct Debit User.

(b) You will also require the approved NAB delivery channel, NAB Connect Direct Link with Reporting Services.

26.2 Direct Entry Payments

We will, in accordance with the instructions contained in each Valid File that we have received from you by the Cut Off time prepare Direct Entry instructions to your payees and will,

(a) accept and act upon debit payment instructions received from you to debit the accounts of your Customers held with financial institutions which are participating members of BECS; and

(b) accept and act upon credit payment instructions received from you to credit the accounts of your Customers held with financial institutions which are participating members of BECS; and

(c) debit or credit your nominated Account for the value of prepared Direct Entry instructions.

26.3 Files

Files must be in the industry standard ABA format and comply with requirements outlined in the Direct Entry User Manual.

All Files must be delivered to us by the Cut Off times set out in clause 26.4 via your Approved Delivery Channel.

You may request a File to be recalled prior to processing. You may be charged the File recall fee for this service as set out in Part D Schedule. In some circumstances it may not be possible for us to comply with your request to recall a File from processing, in which case we will notify you of our inability to comply as soon as practicable after we become aware of such circumstances.

Payment instructions will be validated on the criteria outlined in the File specifications.

26.4 Cut Off Times

File Type	Cut-off Time (Melbourne time) on a Business Day	Process timing if received before cut-off time	Process timing if received after cut-off time
Direct Entry (no remittances)	5pm	Same day value of Direct Entry	Next Business Day
Government Direct Entry (no remittances)	5pm day prior to payment date	Payment day value of Direct Entry	Not applicable

26.5 Failed Items Treatment

Payment instructions will be validated on the criteria outlined in the File specifications.

A Direct Entry payment may have to be returned to you due to an incorrect bank number, BSB or NAB account number.

On set up of your service you will advise us of your preferred treatment for Direct Entry items which fail our account validation criteria.

You will select one of:

(a) Return Individual Fails to your nominated Account, File total remains as authorised by you;

(b) Remove Individual Fails from your File, File total is adjusted to reflect successfully disbursed items only; or

(c) Return Bulk Fails to your nominated Account as one (1) amount, File total remains as authorised by you.

All failed items for your service will be treated in accordance with your selected treatment.

You will receive notification in the Acknowledgement and Disbursement Reports of any failed payments. A direct entry processing fee will apply to these payments, as set out in the Schedule to this Agreement.

26.6 Paying for Value Instructions

(a) You agree to pay us money equal to the value of all Direct Credits that we effect in accordance with your instructions and acknowledge that we are under no obligation to perform the Services until we have received such payment in cleared funds; and

(b) We will pay you money equal to the value of all Direct Debits that we effect in accordance with your instructions; and

(c) You agree to pay us money equal to the value of each Direct Debit return, dishonour or claim that may result from an instruction that we have effected on your behalf.

26.7 Payment Account

Unless we otherwise agree in writing, each customer shall establish an Account with us. You will at all times maintain the Account in credit and maintain the credit balance of the Account greater than or equal to the sum of any amount owed to us by you from time to time under or in connection with this Agreement (except to the extent permitted by the terms of any credit facility that we grant to you).

You will be deemed to be in credit under this clause if you are within the limit of any overdraft facility on the relevant Account.

A processing limit will also be put in place. This will govern the value of transactions which can be processed for you using Direct Entry without referring to your Banker.

26.8 Failure to make Electronic Payments

If we are unable to comply with any Direct Entry instruction for the reason that the nominated payee or drawee bank account details are deficient, we will advise you of that fact as soon as practicable after we become aware of that failure.

We will not be liable to you in any way for a failure to make a Direct Credit payment or Direct Debit drawing as a result of a deficiency in the nominated payee bank account details except to the extent that such deficiency resulted directly from our fraud, negligence or wilful default.

26.9 Reports

You can select for us to send you any of the following Reports as they are produced from our system.

(a) Acknowledgement – A summary of the contents of your Valid File in tabular format. Produced on successful import of your File and sent to you by email or your NAB delivery channel.

(b) Disbursement – A detailed listing of the disbursement of items from your Valid File in tabular or raw data (CSV) format. Produced on successful import of your File and sent to you via your NAB delivery channel.

Reports sent via your NAB delivery Channel will be delivered to you in accordance with the channel's report delivery timings.

26.10 Authority

You authorise us to debit your Account with the sum of any amount owed to us by you from time to time under or in connection with this Agreement, in priority to any other payment.

You agree to reimburse us immediately to the extent that the balance of the credit in the Account is less than any amount that we debit.

26.11 Availability

The performance of the Service is at our discretion. However, if we are unable to perform the Service on any Business Day, we will use all reasonable efforts to notify you of such inability by 3pm (Melbourne time) on that Business Day.

26.12 Approved Delivery Channel

Unless we agree otherwise you must obtain an Approved Delivery Channel such as NAB Connect Direct Link in conjunction with NAB Payments. National Australia Bank will sponsor you to become a registered user of the Bulk Electronic Clearing System. To become a registered user you must obtain NAB Direct Credit and/or NAB Direct Debit.

26.13 Information and assistance

You will deliver to us such information and provide to us such assistance as we require to perform the Services and respond to any queries that we receive in relation to the Services. The information must be delivered in the form that we require.

You will ensure that any information that is provided to us is properly authorised by you for delivery to us.

26.14 Security

You will implement such security procedures as are required to properly protect any information that you provide to us from improper access, alteration or destruction.

26.15 Your Account

You represent and warrant that your Account is designed primarily for use by a business and is established primarily for business purposes.

26.16 General

You must:

(a) comply with this Agreement, or any subsequent instructions issued by us to you in writing which are reasonably required in order for us to provide the Services in accordance with this Agreement;

(b) notify us as soon as is practicable of any change to your financial position which may affect your ability to comply with your obligations under this Agreement;

(c) allow our employees, contractors or agents to enter your premises as reasonable, provided prior notice in writing has been served by NAB, at a time to be agreed between us during normal business hours to check your compliance with this Agreement;

(d) comply with all relevant laws and the Terms and Conditions of this Agreement; and

(e) not assign or charge your rights under this Agreement without our consent which consent will not be unreasonably withheld